



**CONGRESSIONAL BUDGET OFFICE  
PAY-AS-YOU-GO ESTIMATE**

July 28, 1999

**S. 1259  
Trademark Amendments Act of 1999**

*As cleared by the Congress on July 26, 1999*

S. 1259 would waive the sovereign immunity of the federal government and its contractors from liability for trademark infringement and dilution and would allow courts to issue injunctions against the federal government to cease activities that dilute or infringe on trademarks. (Dilution refers to activities using alternative symbols or logos that could be mistaken for an original trademark, thus lessening the market value of the original.) The act also would permit trademark owners who believe the registration of another trademark would dilute the distinctive quality of their mark to petition the Patent and Trademark Office to cancel the application before the trademark has been registered. Under current law, trademark owners must wait until another mark is registered and show that the other mark actually diluted the distinctive quality of their trademark. Finally, S. 1259 would make technical changes to trademark law.

Waiving sovereign immunity would increase payments of claims in lawsuits against the U.S. government. Because such payments are recorded as direct spending, pay-as-you-go procedures would apply. Based on information from the Department of Justice and the American Intellectual Property Law Association, CBO expects that these costs probably would not be significant.

The CBO staff contact is Mark Hadley. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.